

ASSEMBLY BILL

No. 597

Introduced by Assembly Member Eng

February 16, 2011

An act to add Division 22 (commencing with Section 70000) to the Financial Code, relating to financial literacy.

LEGISLATIVE COUNSEL'S DIGEST

AB 597, as introduced, Eng. California Financial Literacy Fund.

The California Constitution requires the Legislature to encourage the promotion of intellectual improvement. Existing law regulates financial institutions and their interactions with the public. Existing law recognizes the existence of specialized financial institutions that provide services, including, but not limited to, financial literacy training, to underserved communities.

This bill would establish the California Financial Literacy Fund in the State Treasury for the purpose of enabling partnerships with the financial services community and governmental and nongovernmental stakeholders to improve Californians' financial literacy. The bill would require the fund to be administered by the Controller and would authorize the Controller to deposit private donations into the fund from entities with no direct financial interest in any financial products. The bill would require those moneys to be made available upon appropriation in the annual Budget Act. The bill would authorize the Controller to convene an advisory committee to provide oversight of the fund and develop strategies to improve financial literacy. The bill would require the Controller, beginning in 2013, to provide an annual summary to specified committees of the Legislature on the use of those moneys appropriated from the fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 22 (commencing with Section 70000)
2 is added to the Financial Code, to read:

3
4 DIVISION 22. CALIFORNIA FINANCIAL LITERACY
5 FUND
6

7 70000. For purposes of this division, “fund” means the
8 California Financial Literacy Fund.

9 70001. (a) The California Financial Literacy Fund is hereby
10 established in the State Treasury. The fund shall be administered
11 by the Controller.

12 (b) The purpose of the fund is to enable partnerships with the
13 financial services community and governmental and
14 nongovernmental stakeholders to improve Californians’ financial
15 literacy.

16 70002. The Controller may accept private donations from
17 entities with no direct financial interest in any financial products
18 and deposit those donations into the fund, which shall be made
19 available upon appropriation in the annual Budget Act.

20 70003. (a) The Controller may convene a financial literacy
21 advisory committee to provide oversight of the fund and develop
22 strategies to improve financial literacy.

23 (b) If the committee is convened by the Controller, it shall be
24 chaired by the Controller and may include representatives of the
25 Superintendent of Public Instruction, the Treasurer, the California
26 State Library, the Department of Corporations, the Department of
27 Financial Institutions, the Department of Consumer Affairs, and
28 the Department of Finance. The committee may also include one
29 or more representatives from the financial services industry, the
30 nonprofit sector associated with improving financial literacy, and
31 other institutions committed to improving Californians’ financial
32 literacy.

33 (c) State agencies in the executive branch, including boards,
34 commissions, and constitutional officers, shall use existing

1 resources to participate in the advisory committee, to the extent
2 they elect to participate.
3 70004. Beginning in 2013, the Controller shall provide to the
4 respective chairpersons of the Assembly Committee on Banking
5 and Finance and the Senate Committee on Banking and Financial
6 Institutions a brief annual summary on the use of the funds, when
7 appropriated. This summary shall be submitted no later than August
8 30 of each year.

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